

















Summary of Changes in the 2009-2010 Guidelines

Note: As of the publication date of this document, the CTF's Digital Media Pilot Program and Production Incentive Pilot Program are still in the process of being evaluated. Should these programs be renewed, an announcement will be made at the appropriate time and documentation released accordingly.



Canadian Television Fund
Fonds canadien de télévision

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All references are to 2009-2010 Guidelines unless otherwise stated.

The following acronyms are used:

- ▶ Broadcaster Performance Envelope = BPE
- ▶ French-Language Projects Outside Quebec = FLPOQ

CHANGES APPLICABLE TO ALL STREAMS (□◆◆■✱)

- ▶ Reference to Canadian Radio-television and Telecommunications Commission (CRTC) programming standards updated
 - ▶ In March, 2008, the CRTC approved the Equitable Portrayal Code as proposed by the Canadian Association of Broadcasters (CAB). This code contains standards for the portrayal of all identifiable groups and replaces the CAB's Sex-Role Portrayal Code for Television and Radio Programming approved by the CRTC in 1990. The CTF has updated its reference to this code, and clarified the reference by using the titles of the codes by name.
 - ▶ See section 3.2.4
- ▶ Policy on foreign format buys or projects based on foreign productions clarified
 - ▶ In 2008-2009, the CTF amended its policies to allow foreign format buys to be eligible for CTF funding where there was significant Canadian adaptation and creative contribution to the project. This year, the CTF has clarified this change by removing the potentially contradictory information found in Appendix "A" under Essential Requirement #3: "The project may not be based on foreign television productions, foreign format buys without significant Canadian adaptation and creative contribution, foreign feature films (unless based on a published Canadian literary work), or foreign fully developed final-version scripts." While this language has been deleted, an Eligible Project must still meet the remaining requirements of Essential Requirement #3.
 - ▶ See Appendix "A"

CHANGES APPLICABLE TO ALL PRODUCTION STREAMS (□◆◆)

The production streams are as follows: BPE, Aboriginal-language Projects and French-language Projects Outside Quebec.

- ▶ Producer Fees and Corporate Overhead (PFCO) maximum increased
 - ▶ PFCO included within a production budget is capped at a percentage of the budget and a maximum dollar amount, with the dollar amount being pro-rated for a series of more than 13 hours. This year, the maximum dollar amount has been increased from \$1.2 million per project to \$1.4 million per project.
 - ▶ See Appendix "B": PFCO Policy

CHANGES APPLICABLE TO ALL PRODUCTIONS RECEIVING AN EQUITY INVESTMENT (□◆◆)

Refer to the Standard Recoupment Policy (hereunder, the “Policy”).

- ▶ Standard distribution fees updated
 - ▶ Previously, the CTF allowed for a standard distribution fee for most media of 30% of gross revenues. Now, the CTF has updated these fees to current market levels, increasing them in most instances and specifying how fee amounts for different forms of exploitation are treated.
 - ▶ See Appendix “B”: Standard Recoupment Policy, Appendix “A”, section 3
- ▶ Collection costs available to all producers
 - ▶ Previously, the Policy stated, “On revenue generated by arm’s length distributors, Production Companies may take 5% of the Net Distribution Revenue payable to the CTF after allowable fees/expenses are calculated. This 5% is to compensate for administrative costs related to the collection, reporting and remitting of distribution revenues and retransmission royalties.” This has now been expanded to apply to all revenue, not just that generated by an arm’s length distributor.
 - ▶ See Appendix “B”: Standard Recoupment Policy, Appendix “A”, section 5
- ▶ Rule related to interest charged on distribution advances/minimum guarantees removed
 - ▶ Previously, the Policy stated, in Appendix “A”, section 6, subsection 1.7: “Interest charged on distribution advances/minimum guarantees or gap financing, prior to delivery of the production must be included in the production budget. Interest charged after delivery of the production must be included in the cap on distribution expenses of 10%.” This passage has now been removed as outdated.
 - ▶ See Appendix “B”: Standard Recoupment Policy, Appendix “A”, section 6

CHANGES APPLICABLE TO THE BPE STREAM (□)

- ▶ Quebec Regional French-language Production Incentive increased
 - ▶ At the start of the 2008-2009 CTF fiscal year, the amount of this incentive available to a particular project was 5% of a project’s Eligible Costs to a maximum of \$75,000. On May 5, 2008, the CTF announced that it was raising this to 7% and \$100,000 respectively effective for that year (though no formal Guideline amendment was issued). This year, the amount of the incentive available to applicants that qualify for it has been increased to 10% of a project’s Eligible Costs to a maximum of \$150,000 per project. The total allocation to this incentive program remains unchanged, however, at \$750,000 for the fiscal year.
 - ▶ See section 2.3.1.1
- ▶ Pilot categories clarified
 - ▶ Licence Fee Threshold and Maximum Contribution calculations for English-language ½ hour and 1 hour pilots of specified budget categories have been clarified by adding “per hour” or “per ½ hour” to the Guidelines.
 - ▶ See section 2.4

CHANGES APPLICABLE TO THE FLPOQ STREAM (◆)

- ▶ New deadline added for SRC/RDI projects
 - ▶ In order to improve planning by the production community, the envelope in the FLPOQ Stream reserved for projects receiving licence fees from SRC/RDI must be 75% committed by May 1, 2009 for the 2009-2010 fiscal year.
 - ▶ See section 5
- ▶ 90% inclusion of tax credits in financing requirement expanded to entire Stream and producer safeguards implemented:
 - ▶ In addition, the process for including more than 90% of estimated tax credits, previously applicable only to the BPE Stream, now applies in the FLPOQ Stream as well.
 - ▶ See Appendix “B”: Treatment of Tax Credits Policy

CHANGES APPLICABLE TO THE ABORIGINAL-LANGUAGE PROJECTS STREAM (◆)

- ▶ Co-productions clarified
 - ▶ While applicants eligible under this Stream may enter into international co-productions under an official international co-production treaty, co-productions between an Aboriginal applicant and a non-Aboriginal applicant are not eligible in any other context.
 - ▶ See section 3.1
- ▶ Producer safeguards regarding 90% inclusion of tax credit implemented
 - ▶ The process for including more than 90% of estimated tax credits, previously applicable only to the BPE Stream, now applies in the Aboriginal-Language Projects Stream as well.
 - ▶ See Appendix “B”: Treatment of Tax Credits Policy

CHANGES APPLICABLE TO THE DEVELOPMENT FINANCING STREAM (▣)

- ▶ Definition of Regional Development Project in English-language development clarified
 - ▶ Reference to a project’s “chain of title” in determining how a development project originates was found to be confusing in some instances. As such, this reference has been removed and replaced with language focusing on the regional Applicant “initiating” and “continuing to meaningfully participate” in the project. This change is not meant to alter the definition of a Regional Development Project in this respect – merely to clarify its intent.
 - ▶ The fact that Vancouver Island is included as a “region” has been clarified.
 - ▶ See section 2.A.1.1

- ▶ Proof of broadcaster payment requirements removed from drawdown schedule for English-language development
 - ▶ Previously, the CTF required confirmation of receipt of payment of the Development Fee by the broadcaster in order to release its own drawdowns. Release of the CTF's first drawdown had required confirmation of the receipt of a 30% payment of the broadcaster's Development Fee; the second drawdown had required confirmation that the balance of the Development Fee had been paid. These requirements have now been removed.
 - ▶ See section 2.A.2
- ▶ Number of applications per applicant increased in the French-language Quebec Regional Project Development and Pre-Development components
 - ▶ Previously, an eligible Applicant to these components could apply with a maximum of one Eligible Project per fiscal year for each component. This has been increased to a maximum of two projects per component. For development, only one may be a returning series; for pre-development neither may be returning series.
 - ▶ See sections 2.B.3.1.1 and 2.B.3.2.1
- ▶ Maximum Contribution amounts for the French-language Quebec Regional Project Development component clarified
 - ▶ The Maximum Contribution amounts for this component have been clearly specified.
 - ▶ See section 2.B.3.1.2
- ▶ Eligible Costs now considered in relation to development deal with broadcaster
 - ▶ The CTF wishes to stimulate new development activity, and not fund past work already completed. Previously, the CTF pursued this goal with a rule that costs incurred prior to CTF application were not Eligible Costs. Now the CTF relates to the development deal – i.e. the entering into of an eligible development agreement between producer and broadcaster – instead of the application date in respect of this goal.
 - ▶ See section 2.3
- ▶ Some “pre-production” costs eligible
 - ▶ Some early “pre-production” costs are now eligible in the Development Financing Stream, such as cast and set retention, but these will be limited so as to retain a focus on true development/writing activity.
 - ▶ See section 2.3.2

CHANGES APPLICABLE TO THE VERSIONING ASSISTANCE STREAM (✳)

- ▶ Eligible Costs for international treaty co-productions clarified
 - ▶ Previously, the Guidelines said that “Exceptions may be made to the requirements that the expenses and services carried out in Canada by qualified, private-sector companies, using Canadian artists, actors, employees and technicians in the case of official treaty co-productions.” This exception has been removed.
 - ▶ See section 2.3.2